

March 8, 1976

SENATOR MURPHY: No?

SENATOR CAVANAUGH: You're insuring the hospitals and....

SENATOR MURPHY: ... and their physicians.

SENATOR CAVANAUGH: Well in the course of insuring the hospital you would have to.... I mean you don't just insure the building, you insure the hospital from the negligent acts of the persons performing within the buildings rendering the services there. That's where.... People commit the negligent acts, the liable conduct.

SENATOR MURPHY: I understand that perfectly, Senator. The thing is we now have doctors performing, or being subject, I will not say performing because I think it's unfortunate that we have to, everytime we say doctor mean all doctors or attorneys mean all attorneys. But we are saying a physician who commits an act in that hospital is insured under that hospital act. I think that's, if anything, is going to run the hospital premium even further out of sight. We are extending it beyond the limits of the State of Nebraska.

SENATOR CAVANAUGH: No, I don't think you're reading that correctly, Senator.

SENATOR MURPHY: Well if it insures hospitals outside the state, Senator, and if it insures the physicians who part of the staff of that hospital....

SENATOR CAVANAUGH: No, no, no, no, wait a minute. It says "incorporate a mutual insurance association to insure member hospital, their officers, directors, employees and volunteer workers", that's who is being insured against liability arising from ... and this is what they're being insured for, "rendering or failing to render professional services in the treatment or care of patients by the hospitals, their agents, employees or by member physicians". The entity that we are insuring is the hospital, its officers, directors and employees.

SENATOR MURPHY: Against acts committed by staff physicians.

SENATOR CAVANAUGH: ... against acts committed by people performing services within the hospital, so that the liability of the hospital is protected. That section does not insure the physician against a claim made against him for his individual negligent conduct. What this would related to is if, for example I suppose, a hospital has some obligation to insure that its member physicians are properly qualified.

SENATOR MURPHY: Let me presume, just for one moment Senator, that we have a physician, and we have several in Nebraska, right now who are practicing without insurance is sued? How long would it take a good attorney to enjoin the hospital in that suit?